

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Market-Dominant Price Change

Docket No. R2023-1

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued October 13, 2022)

To clarify the basis of information provided by the Postal Service in its Notice of Market Dominant Price Change, filed October 7, 2022,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than October 20, 2022.

**USPS Marketing Mail**

1. As required by the Commission in the FY 2010 *Annual Compliance Determination*,<sup>2</sup> please provide:
  - a. A schedule of future above-consumer price index price increases for USPS Marketing Mail Flats;
  - b. An explanation of how the proposed prices will move the USPS Marketing Mail Flats cost coverage toward 100 percent; and
  - c. A statement estimating the effect that the proposed prices will have in reducing the subsidy of the USPS Marketing Mail Flats product.

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<sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, October 7, 2022 (Notice).

<sup>2</sup> Docket No. ACR2010, *Annual Compliance Determination*, March 29, 2011, at 107.

2. In its proposed changes to the Mail Classification Schedule (MCS), the Postal Service proposes to add workshare discounts for 3-Digit and 5-Digit (Automation and Nonautomation) flats on sectional center facility (SCF) pallets for the USPS Marketing Mail Flats product. Notice, Attachment A at 77. Please confirm that the heading *Containerization Discounts* should be added above the workshare discounts' description in the MCS. See, e.g., *id.* at 52, 61. If not confirmed, please explain.
3. In its proposed changes to the MCS, the Postal Service proposes to add “or 5-Digit Scheme” to the language describing various containerization workshare discounts previously approved by the Commission. See *id.* at 46, 52, 57, 61.
  - a. Please explain the Postal Service's rationale for these proposed changes.
  - b. Please confirm that the Postal Service's proposed changes do not reflect a change in the types of containers to which the Postal Service will be offering these containerization workshare discounts. If not confirmed, please explain.
  - c. Please describe the differences, if any, in terms of preparation and processing between 5-Digit containers and 5-Digit Scheme containers.
4. Please provide an explanation of the meaning of the “Ask for % change” note in cells E139 and E141 of Library Reference USPS-LR-R2023-1/2, October 7, 2022, Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” tab “Current Price.”
5. Please refer to Attachment A to the Notice, in which the description of Carrier Route Letters specifies “Carrier Route letter-shaped pieces that weigh more than 3.5 ounces, but not more than 4.0 ounces, must pay the prices shown in the ‘Carrier Route Flats (4.0 ounces or less)’ price table (1215.6)” and “Carrier Route letter-shaped pieces that weigh more than 4.0 ounces must pay the per piece and per pound prices shown in the ‘Carrier Route Flats (greater than 4.0 ounces)’ price tables (1215.6).” Notice, Attachment A at 58-59. Please also refer to

Library Reference USPS-LR-R2023-1/2, Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” tab “New Price,” cells A19:F29 and O19:T29.

- a. Please confirm the language in the MCS should refer to price tables in both sections 1210.6 and 1215.6. If confirmed, please provide any changes needed to be made to Attachment A to the Notice in legislative format.
- b. If part a. is not confirmed, please specify where the Saturation, High Density, and High Density Plus rates in cells A19:F29 and O19:T29 of Excel file “CAPCALC-USPSMM-R2023-1.xlsx,” tab “New Price” can be found in the MCS and provide any changes needed to be made to Attachment A to the Notice in legislative format.

### **Periodicals**

6. Please refer to Library Reference USPS-LR-R2023-1/3, October 7, 2022, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments.”
  - a. Please confirm the removal of volumes associated with area distribution center (ADC) Sack Bundles, 3-Digit/SCF Sack Bundles, and 5-Digit Sack Bundles in rows 67:72, 78:82, and 87:90.
  - b. If volumes are completely removed, please confirm that the billing determinants would be zero in cells C68:72, C79:82, and C88:90 and that there would not be associated current prices in cells D68:72, D79:82, and D88:90 or new prices in cells F68:72, F79:82, and F88:90.
  - c. If parts a. and b. are not confirmed, please explain whether a portion or all volumes will migrate to another rate cell or cells and confirm that Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Outside County Adjustments” presents the volumes in rows 67:72, 78:82, and 87:90 as migrating to rows 56:60.

- d. If part c. is confirmed, please provide the Postal Service's rationale for this migration.
  - e. If part c. is confirmed, please confirm that the current prices in cells D68:72, D79:82, and D88:90 should match the associated prices in cells D62:66, D74:77, and D84:86, not the prices in cells D56:60 as presented. If not confirmed, please explain.
  - f. If any of the responses to parts a.-e. necessitate revisions to Excel file "USPS-CAPCAL-PER-R2023-1.xlsx" or any other supporting document, please file a revised version of Excel file "USPS-CAPCAL-PER-R2023-1.xlsx" or any other supporting document as needed.
7. Please refer to Library Reference USPS-LR-R2023-1/3, Excel file "USPS-CAPCAL-PER-R2023-1.xlsx," tab "Outside County Adjustments."
- a. Please confirm that the volume associated with Sacks in cells J92:116 will be removed and will not migrate to another rate cell or cells. If not confirmed, please explain.
  - b. Please explain how this change will impact the volume of Sacks Bundles in cells C54:90.
8. The Postal Service states "to improve the operational efficiency for processing of bundles at different presort levels in sacks, the Postal Service is proposing to move the bundles volume in sacks entered at Origin, DNDC, and DADC to presort in MADC containers entered at Origin with container fee waived." Notice at 23.
- a. Please confirm that these Bundles will no longer be presented in Sack containers. If confirmed, please explain how these Bundles will be presented. If not confirmed, please explain.
  - b. Please discuss whether Bundles currently presented on Pallets will also be able to access these rates.

9. Please refer to Library Reference USPS-LR-R2023-1/3, Excel file “USPS-CAPCAL-PER-R2023-1.xlsx,” tab “Nonprofit BD FY21Q4-FY22Q3.”
  - a. Please confirm that cell G171 should sum cells C171:F171 instead of C171:E171. If not confirmed, please explain.
  - b. Please confirm that cell G172 should sum cells C172:F172 instead of C172:E172. If not confirmed, please explain.
  - c. Please confirm that cell G173 should sum cells C173:F173 instead of C173:E173. If not confirmed, please explain.
  - d. If any of the responses to parts a.-c. necessitate revisions to Excel file “USPS-CAPCAL-PER-R2023-1.xlsx” or any other supporting document, please file a revised version of Excel file “USPS-CAPCAL-PER-R2023-1.xlsx” or any other supporting document as needed.

By the Chairman.

Michael Kubayanda